

Message Text

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PAGE 01 STATE 224629
ORIGIN EA-12

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TO USLO PEKING
INFO AMCONSUL HONG KONG

C O N F I D E N T I A L STATE 224629

E.O. 11652: GDS

TAGS: ETRD, CH, US

SUBJECT: SUMMARY: CHINESE AGREE TO JOINT CONCILIATION
IN TRADE DISPUTE
REF: 1976 STATE 038065

1. FOR THE FIRST TIME, THE CHINESE HAVE AGREED TO A JOINT
US-CHINESE CONCILIATION EFFORT TO RESOLVE A TRADE DISPUTE.
US AND CHINESE CONCILIATORS WILL ATTEMPT TO RESOLVE THE
DISPUTE BETWEEN THE PLAINS COTTON COOPERATIVE ASSOCIATION
(PCCA) AND THE CHINA NATIONAL TEXTILES IMPORT AND EXPORT
CORPORATION (CHINATEX) OVER COMPENSATION THE PCCA BELIEVES
IT IS DUE. THIS AGREEMENT RESULTED FROM EFFORTS BY NA-
TIONAL COUNCIL FOR US-CHINA TRADE (NCUSCT) GENERAL COUNSEL
WALTER SURREY TO DEVELOP ORDERLY PROCEDURES FOR RESOLUTION
OF TRADE DISPUTES BETWEEN US CONCERNS AND CHINESE
CORPORATIONS.

2. ACCORDING TO SURREY ASSOCIATE BEN FISHBURN, THE JOINT
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CONCILIATION EFFORT WILL BEGIN IN PEKING IN MID-OCTOBER,
WITH PROCEEDINGS EXPECTED TO LAST FOR ABOUT TEN DAYS.
SURREY WILL ACT AS THE US CONCILIATOR. THE CHINA COUNCIL
FOR THE PROMOTION OF INTERNATIONAL TRADE (CCPIT) WILL ACT

AS CONCILIATOR ON THE PRC SIDE. (SURREY EXPECTS THAT..
HE WILL BE JOINED BY 3-6 CCPIT REPRESENTATIVES.)

3. FOR THE HEARING, PCCA SENIOR VICE PRESIDENT AND GENERAL MANAGER DAN DAVIS AND PCCA IN-HOUSE ATTORNEY BILL BLACKLEDGE WILL TRAVEL TO CHINA. AMERICAN ARBITRATION ASSOCIATION (AAA) REPRESENTATIVES DAN STRAUSS AND HOWARD HOLTZMAN WILL OBSERVE AND HOPE TO DISCUSS WITH CCPIT WAYS OF REFINING PROCEDURES FOR HANDLING SUCH DISPUTES. (FISHBURN IS HOPEFUL THAT LI MAY PHIPPS OF THE NCUSCT WILL TRANSLATE.) THE GROUP IS EXPECTED TO DEPART THE US OCTOBER 16, ARRIVING IN PEKING OCTOBER 18.

5. SURREY AND HIS ASSOCIATES VIEW THE PRC'S AGREEMENT FIRST, TO FACE-TO-FACE NEGOTIATION AND THEN TO A JOINT CONCILIATION APPROACH AS A SIGNIFICANT STEP IN THE RIGHT DIRECTION. CCPIT'S INVOLVEMENT IS CONSIDERED A POSITIVE DEVELOPMENT AND FISHBURN BELIEVES THAT A SETTLEMENT CAN BE REACHED IF THE PCCA WILL BE FLEXIBLE.
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Message Attributes

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